

Before the
Federal Communications Commission
Washington D.C. 20554

In the Matter of Proposal to Eliminate the Main Studio Rule - MB Docket No 17-106

Comments of Aurora Broadcasting

In response to the Commission's Notice of Proposed Rule Making in the above proceeding, Aurora Broadcasting (hereafter "Aurora") submits the following comments.

The Federal Communications Commission has under consideration MB Docket No. 17-106, on removal of the main studio requirement. Aurora intends to express concerns with regard to some proposals and submit other points that may merit consideration.

Aurora strongly opposes a blanket repeal of the main studio rule. While technology has made some aspects of program creation more easily centralized, maintaining local presence is essential to keeping local radio relevant amongst increasing competition.

Contrary to what some believe, the removal of main studios will not increase investment in or renew focus on local programming concerns. In fact, we believe that removal of local presence will further disconnect radio stations from their communities of license. It has already been seen as a result of consolidation that smaller stations have been moved into group studios and focused on more lucrative metropolitan areas.

We are a small company founded by a passionate local broadcaster who has worked in a wide variety of markets. In his experience, in smaller markets the local studio performs a valuable function allowing the interaction of the public and increased coverage of local issues. At the most vibrant local stations, community members routinely bring in public service and news items, are interviewed on-air, and local advertisers interact with sales & production departments, often voicing their own commercials. All of these functions are valuable and bring a station closer to the community and its unique concerns.

Commissioners have stated an interest in the diversification of broadcast ownership especially for women, minorities and small business. Aurora maintains that a complete repeal of the main studio waiver would have unintended consequences for broadcast ownership opportunities for said parties.

A complete repeal of the main studio rule would create a situation detrimental to new and minority entrants. The existing rules have already been abused by those seeking "hardship waivers" for the operation of noncommercial stations from a single facility. In many cases, the sales prices of these facilities are public knowledge. This has resulted in scenarios where a station will sell for a large amount, often in cash, and then petition the commission for a main studio waiver.

One case in point would be a large noncommercial operator who purchased a station for \$9.5 million then applying for a main studio waiver citing "severe financial constraints" and "limited financial resources." This is but one example of "hardship" being stretched to incredulous lengths by broadcasters who clearly are fiscally capable but unwilling to provide local service or staff. Owners of said station claims to provide "local" service from a studio located 2,903 miles from the station's community of license. To expand this dynamic to commercial stations would damage local service and distort the market values of stations and construction permits and disadvantage if not completely discourage minority and small owners from entering the broadcast field and providing truly localized programming.

To waive all local studio requirements would function as a budgetary gift to operators who have marginal interest in truly serving smaller communities while driving up the value of unbuilt and future construction permits due to the removal of this obligation. One could foresee a situation where the values of small market stations would become artificially inflated due to the reduced costs of operation - making it ideal for the largest broadcasters to centralize operations in metropolitan areas and utilizing smaller market stations as mere repeater signals.

The technological argument used against maintaining a local studio also works against those suggesting a complete removal of these rules. The digital revolution in production and programming tools has made creating radio on a local level more inexpensive than ever. Many LPFM stations have managed to create innovative and unique local studio facilities on budgets far below what even the smallest market broadcasters have. The cost of maintaining at least a basic studio and EAS presence on a local level has never been *more* affordable for responsible broadcasters.

Aurora does support a carefully considered process of main studio waivers. This should be embarked upon with caution and require transparency and documentation on the part of applicants. There are markets and broadcasters where this truly would facilitate greater service, or in economically disadvantaged areas, help to preserve some form of localism by combining resources. We propose that market size, overlap in signals by an existing owner wishing to locate a station within their cluster's "main studio" and true, proven economic hardship could be some of those factors. The Commission could also in theory require a local programming origination capability while removing the often unclear "management present" staffing standard.

Aurora does not and cannot support this rule change to enable operation of stations from well outside of the geographic region with no local presence. The Commission should not allow an increase in commercial local stations operated from outside of the region, state, or thousands of miles across the country. In theory, without reasonable limits, all of a group's stations could be centrally operated from one corporate facility and "server farm." While lobbyists and those looking to pinch pennies will claim otherwise, this does impact communities and the ability to understand and serve a local audience as we have seen with existing levels of consolidation.

The costs of maintaining a local presence are not only reasonable, but also beneficial to broadcaster's relationship to their communities and broadcast radio as a local medium. In fact our local presence ensures we stand apart from our digital competitors and reminds our audiences and advertisers daily that we view our license as a public interest and trust.

This commission has often expressed its desire to function in cooperation with the free market. Built into the decisions of broadcasters for decades has been the understanding that they will be actively involved in and aware of their local markets. Such involvement requires local presence. That has been a "built in" cost expectation in pursuing a license or station purchase that we have been well aware of as broadcasters, and factored into our business plans. To suddenly change this dynamic would distort the wise and carefully negotiated balance between business successes and the important trust that has long been understood to exist in broadcasting as a public service.

In an increasingly globalized digital media world, doing harm to small businesses, minorities and local communities by removing any pretense of local presence requirement would not revitalize radio. It would in fact damage it, and further disconnect the medium from the communities it bears the obligation to serve. It is for this reason we at Aurora Broadcasting staunchly oppose the removal of the main studio requirement.

Sincerely,

Matthew Butler
President
Aurora Broadcasting